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THE NATIONAL FORESTS AS A FORM  
OF FEDERAL AID TO THE STATES

FROM

"A NATIONAL PLAN FOR AMERICAN FORESTRY"

A Report Prepared by the Forest Service, U.S. Department of Agriculture  
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THE NATIONAL FORESTS AS A FORM OF FEDERAL AID TO THE STATES<sup>1</sup>

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RELATIONSHIP OF THE NATIONAL FORESTS TO THE GENERAL FOREST SITUATION

The basic problem of forestry is the adequate protection, development, management, and controlled utilization of approximately one fourth of the total land area of the continental United States. This requires large capital outlays and current expenditures for (1) the permanent organizations essential to effective protection, improvement, management, and research; (2) protection against fire, insects, and diseases; (3) construction and maintenance of the physical improvements requisite to the protection and use of the natural resources; and (4) forest planting, sanitation, and other cultural operations demanded by sound principles of silvicultural management.

Such expenditures, in the main, are long-time investments. Only a small proportion is capable of early financial liquidation. Long-time credits and low rates of interest are imperative requirements. Relatively few of the States and only a minor proportion of the owners of private lands are able, under prevailing financial and economic conditions, to make available the funds requisite for the complete and adequate protection, development, improvement, and management of all the forest properties within their borders or under their control, to the degree dictated by major considerations of public interest. If the Federal Government failed to participate in certain phases of the problem, the entire enterprise of forestry in the United States would verge on failure.

The retention or establishment by the Federal Government of actual ownership of certain parts of the forest land area, and the assumption of all costs incident to their protection, development, improvement, and management, including the manifold phases of

<sup>1</sup> In this section, expenditures and receipts recorded are actual total disbursements made and revenues derived during periods indicated. They therefore differ from the cost figures in other sections of the report, which treat certain forms of expenditure as capital investments and charge as annual costs only the amounts required to cover interest costs and amortization of such capital investments.

forest research essential to those ends, was motivated primarily by considerations of national welfare and security. The forests administered by the Federal Government are national in purpose and result, as well as in ownership and management. But one important consequence of the national-forest policy is that the burden upon the States, counties, and private owners is measurably reduced, while their enjoyment of the economic and social potentialities of the forest lands continues undiminished—is, in fact, enlarged and made more permanent and systematic.

In pursuance of this policy the Federal Government, since 1891, has established 148<sup>2</sup> national forests situated in 31 of the States and in Alaska and Puerto Rico. Within these administrative units it owns, or is in process of acquiring, 161,360,691 acres of lands. The national forests in the continental United States with a total net area of 140 million acres, comprise 7.36 percent of the total land area. Not all of this area, however, is true forest land, since the national forests inevitably embrace large areas above or below the altitudinal limits of timber growth, and other lands supporting vegetation, brush, and trees of great importance to streamflow stabilization but not capable of producing timber of commercial sizes and species within practical limits of time. The acreage of true forest lands under Federal control within the national forests in the continental United States is estimated to be 74,679,000 acres, or approximately 15 percent of the total area of forest land in the States.

## HISTORICAL BACKGROUND OF NATIONAL FOREST SYSTEM

The initial action by the Federal Government was as the custodian of the public lands. By the act of March 3, 1891 (26 Stat. 1103), it inaugurated the policy of withdrawing the federally-owned forest lands from processes of destructive exploitation and by the act of June 4, 1897 (30 Stat. 34), it initiated the policy of regulated use and occupancy of the lands so withdrawn.

But the problem of forest conservation was most acute in States or regions in which there were either no public lands at all or only very limited and widely distributed areas of public lands. Here the interest of the United States was not one of custodial management of public properties but rather of national welfare. The rapid and destructive depletion of forest resources was creating a condition of economic insecurity. The deforestation of the watersheds of important streams was diminishing their navigability in interstate commerce and was causing widespread and remote damage both physical and economic. The States in which this situation existed were not prepared to meet it in an effective and adequate way. Public ownership and management of the areas in which the situation was most acute was imperatively necessary. To accomplish this the Federal Government initiated the second phase in its program of forest-land management through the enactment of the act of March 1, 1911 (36 Stat. 961), and eventually the act of June 7, 1924 (43 Stat. 653), under which acts it has developed and placed under administration east of the Great Plains 41 national forest units within which the

<sup>2</sup> Not including three Wisconsin areas which although constituting an important administrative unit and representing substantial expenditures have not yet been formally proclaimed as national forests.

United States now controls 7,231,555 acres of land, of which 4,727,680 acres have been acquired by cash purchase under the provisions of the acts above mentioned. Figure 1 shows graphically the year-to-year trend in (A) the total national-forest area and (B) in the area acquired by purchase under the Weeks law and the amendatory Clarke-McNary law.

A brief discussion of the facts and circumstances leading up to the adoption of this policy may, perhaps, be warranted.

Immediately prior to the turn of the century the general trend of forest land utilization created grave and widespread concern. Processes of utilization were destructive and negative to future economic and social progress and welfare. Concerted and systematic action to check the tremendous losses due to fire, insects, and disease was almost wholly lacking. Vast areas of land were in large degree denuded of their chief elements of economic and social service, and

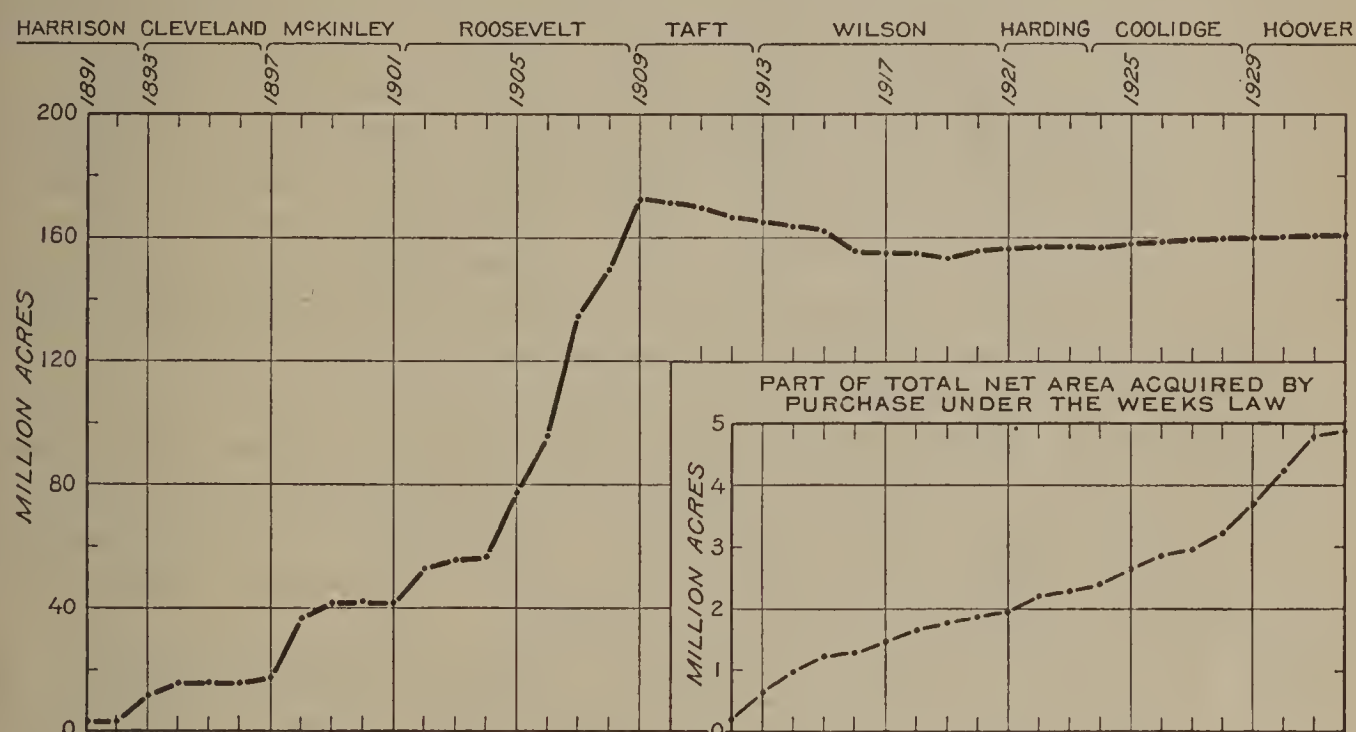


FIGURE 1.—Total net areas of national forests by years.

wherever this condition prevailed it was marked by dying industries, abandoned towns, economic maladjustments, eroded soils, impaired navigability of streams, and the replacement of scenic beauty and inspirational quality by ugliness and devastation. The obvious trend constituted a definite menace to national ideals and objectives and economic security.

Preponderant opinion agreed that some form of remedial public action imperatively was necessary to check this demoralizing trend. The direct and immediate effects of the trend were local, but its ultimate ramifications and consequences were national. By emphasizing different factors in the equation it was possible to place primary responsibility for remedial action with either the county, the State or the Federal Government. Generally, three major courses of action were open to consideration, namely:

1. Continuation of prevailing principles of private land management and public land appropriation, depending on either voluntary or enforced private action to conserve adequately the forests in private ownership (a) without any public effort to protect or conserve either abandoned or unappropriated lands (a wholly impossible formula), or (b) with only superficial State or county protection and

conservation of lands remaining or revested in public ownership (a markedly inadequate formula), or (c) with adequate State or county protection and conservation of lands remaining or revested in public ownership.

2. Establishment of extensive systems of permanent State forests, through which the States largely would redeem the public responsibilities of forest protection and conservation.

3. Establishment of extensive systems of national forests, through which the Federal Government would assume a share of the public responsibility of forest protection and conservation and, to that degree, make it possible for the several States to meet more effectively a vital problem of public welfare and necessity.

The effectiveness of course 1 would have been contingent upon the successful accomplishment of a vast program of legal, political, and economic readjustments involving many revised or new concepts of public and private functions. In relation to the urgency of the situation, its possibilities markedly were limited and its fullest practical realization dependent upon a prolonged educational effort.

Course 2 likewise was subject to many seemingly insuperable obstacles to early adoption, in the form of State constitutional limitations, legal restrictions, diverse land ownerships, and inadequate financial resources. Few States had constitutional or legislative authority to establish systems of State forests of even limited extent; few could divert from other uses the funds requisite to the acquisition, development, protection, and management of acreages of forest land sufficient to offset the progressively widening area of depleted or denuded forest. At the time when the need for affirmative action in forest conservation became acute, it would have been impossible for the several States and their constituent units of government to have met the situation in any effective way.

By force of circumstances, Federal action became inevitable in support of, rather than competitive with, State action. The States could not fully meet the situation without the aid of the Federal Government. The establishment of national forests was a very definite form of Federal aid. Every acre given a national-forest status and protected, developed, and administered at Federal expense correspondingly diminished the magnitude of the problem demanding State and county action and made it possible for those agencies more effectively to meet the phases of the situation which were within their exclusive fields of action.

## THE DIRECT CONSEQUENCES OF NATIONAL FOREST ADMINISTRATION

By the establishment of a national forest the State or county in which it is situated is relieved from all costs of public forest protection related thereto except those incident to lands actually owned by the State or county. The Federal Government at once establishes a resident organization to protect, develop, and administer the lands and to conduct all processes of management and research requisite to their highest use and service. All physical improvements essential to the proper protection and utilization of the national-forest lands, such as forest highways, development roads and trails, lookout towers, telephone lines, administrative structures, fences, etc.,

are constructed at Federal expense, except where special circumstances warrant cooperative contributions of State, county, or other funds. The Federal expenditures not only relieve the State and counties from proportionate drafts upon their funds but release in each region sums which contribute markedly to that region's economic security. The benefits from these expenditures are not confined exclusively to the federally-owned lands but are reflected over such State, county, or private lands as are situated within or contiguous to the national-forest boundaries, thus aiding appreciably in promoting the effective and economical protection and management of such lands.

All privately owned improvements or other property on national-forest lands are subject to State or county taxation, but the national-forest lands are not. As an offset, however, Congress has provided, Act of May 23, 1908 (35 Stat. 260), that 25 cents out of every dollar collected from the sale of national-forest resources or use of national-forest lands shall be paid to the State in which collected, for proportionate distribution to the counties embracing the national forest in which it was earned, for the support of schools and roads. This payment, in effect, is equivalent to the form of taxation known as the severance tax, but is a larger proportion of gross revenues than most taxes of that character.

Congress also has provided, Act of March 4, 1913 (37 Stat. 843), that 10 cents out of every dollar derived from the sale of national-forest resources or uses of national-forest land shall be expended by the Secretary of Agriculture for the construction and maintenance of roads and trails within the national forests of the State in which the revenues were derived. The roads and trails constructed and maintained with this fund are of substantial benefit to the counties in which they are situated and otherwise largely would be provided at public or private expense, consequently this additional 10 percent of national-forest revenue properly may be regarded as a further offset to the taxes which might be collected if the national-forest lands were subject to private appropriation and attendant local and State property taxes.

In addition, Congress, since 1916, has made large appropriations for road and trail construction on lands within or adjoining the national forests. At the close of the fiscal year ending June 30, 1932, the total expenditures for road and trail construction, improvement, and maintenance, including the 10 percent of national-forest receipts (exclusive of Alaska) amounted to \$116,095,330, an average of 83 cents for each acre of land now reserved in the States for national-forest purposes. One provision of these appropriations is that the larger proportion thereof shall be expended upon roads of primary importance to States, counties, and communities which in the absence of Federal funds necessarily would be constructed and maintained wholly at State or local expense. The availability of these Federal funds thus has enabled State and county governments to extend and improve their road systems more rapidly and at less cost to the local taxpayers than otherwise would have been the case.

Upon these lands thus reserved from the Federal domain or acquired by purchase, the United States has established administrative organizations, systems of protection against damage by fire, insects, disease, etc., and effective machinery for the regulation of logging,

the grazing of domestic livestock, the use of water resources, and the use of land for purposes of industry, recreation, etc. It has definitely inaugurated advanced systems of silvicultural management, including the planting of denuded areas. It has established or is in process of establishing the systems of physical improvements essential to the proper protection, utilization, and occupancy of the areas such as roads, trails, bridges, telephone lines, administrative structures lookout towers, etc. It has developed methods and principles under which the industrial or economic use of the natural resources of the areas is equitably apportioned between the industrial or commercial groups and interests dependent upon the use of such resources.

Finally, it has conducted a large program of forest research, not only applying the results thereof to the lands under Federal management but also making them available for applications to all other forest lands where similar conditions prevail. In consequence of this action by the Federal Government wide-spread benefits have accrued to all of the States within which the national forests are situated. Some of these are abstract and intangible; the majority are direct and concrete and of large proportion.

The outstanding benefit to local interests which accrues through national-forest administration is the stability and permanency of local industries which results. The natural resources are protected from fire, insects, disease, and destructive forms of use. Their volume and utility are increased by constructive forms of management and development. Their utilization is conducted in an orderly manner and with a view to securing permanent and sustained production of the most complete character compatible with the preservation of the basic natural capital. Opportunity to use these resources to meet personal needs or for purposes of industry and profit is afforded under conditions which secure equitable distribution and the best net contribution to local welfare and prosperity. Certainty of future economic security and permanency of community and industrial growth and development thus is created and reflects itself in every phase of industrial life of the community.

A second contribution to public welfare, of far-reaching consequences is the element of watershed protection. With each passing year water becomes more and more indispensable to the industrial and community life of the Nation, so that effective watershed protection is a matter of vital consequence. Where no national forests exist, watershed protection is entailing an increasing burden of public and private expense. States or parts of States whose watersheds are embraced within national forests secure satisfactory watershed protection without direct outlay. The needs of municipalities adequately are met and safeguarded and every effort is made to maintain the stability and purity of streamflow essential to the full utilization of water resources.

A third benefit is the contribution to wild-life conservation. The availability of extensive areas of national-forest lands as suitable habitats or environments for wild life permits the fullest public development and most complete use and enjoyment of this resource at a minimum of local public or individual cost. If the national forests did not supply these facilities they would have to be provided in other ways at local expense. The cooperation of the national-forest organization in game-law enforcement and fish planting relieves the States

and counties of substantial expenditures for these purposes which otherwise would be imperatively necessary.

Still another public benefit of outstanding proportions is the conservation and development of the extensive recreational resources contained within the national forests. The economic and social values of such resources are fully recognized, they are safeguarded and improved, and their full and free enjoyment by the general public is allowed under a minimum of regulation and restriction. As a result, such values are assuming large proportions and are becoming important factors in promoting the commercial development and material prosperity of the regions in which they exist.

It safely may be asserted that the officials and citizens of the majority of the political units that contain national forests now concretely recognize the existence and magnitude of the direct and indirect national-forest contributions to local welfare above enumerated. As the old order has changed, public thought has changed. The need for standards of protection and management such as prevail in national forests is becoming more and more generally recognized and accepted by the citizens of the national-forest States and counties, but combined with this there exists a realization that as a rule the States and counties are unprepared, financially and otherwise, to assume at this time or in the near future the burdens entailed by such standards of protection and management.

The fact that the more equitable apportionment and lower cost of national-forest resources reflects itself in community welfare and prosperity; that the stability and permanency of industrial and community life promoted by established principles of national-forest management permits communities to build for the future with certainty and security, thus creating stable rather than speculative values, is less and less disputed with each passing year.

Nevertheless, proposals have from time to time been made for increases in the State shares of gross receipts from national forests. In support of such proposals it has been represented that if the national-forest lands had remained open to free appropriation and consequent taxation, or if they had been ceded to the respective States for administration as State forests from which the States would derive all revenues over and above the costs of protection and management, the returns to the States and counties involved markedly would have surpassed those derived directly and indirectly from the national forests. This viewpoint was particularly manifest in 1927, at which time two bills to increase the State share of national-forest revenues were before Congress. The circumstances dictated a detailed study of the situation, which was made, covering the fiscal years 1923 to 1927 inclusive.

## DETAILS OF THE 1927 STUDY OF NATIONAL FOREST RELATIONSHIPS

The period covered by the study affords perhaps a clearer and truer picture of the national forests as a form of Federal aid to the States than would a similar study under current conditions. It was a period of abnormal financial and economic ease. The Federal Government's part was not influenced by considerations of depression relief which more recently have materially increased its expenditures in the national

forests. The standards, objectives, plans, and programs of the States, counties, and private owners were relatively uninfluenced by considerations of financial or economic exigency. For these reasons the results of the 1927 study are used for the purpose of this analysis.

The subject naturally divided itself into four major questions, namely:

1. The true measure of the Federal contribution toward the solution of the national economic and financial problem through the media of the national forests.

2. The degree, if any, to which the establishment and Federal management of the national forests imposed upon the States and counties additional burdens of cost in the discharge of their functions of local government.

3. For purposes of comparison, the probable financial consequences to the States and counties if the public lands, instead of being reserved for national-forest purposes, had continued subject to private appropriation under the land laws of the United States, with the States assuming responsibility for the protection and management of the unappropriated residue and deriving from the lands the taxes payable upon those privately appropriated and the revenues obtainable from those remaining or revested in public ownership.

4. For further purposes of comparison, the probable financial consequences to the States if the lands reserved for national-forest purposes had instead been ceded to the States for administration as State forests from which the States would derive all revenues over and above the costs of protection, development, administration, and management.

To attain a true understanding of the situation, an effort was made to compile the following data for each county containing substantial areas of national-forest land:

- (a) The acreage of privately owned taxpaying lands, exclusive of town and city property or of improvements, in each such county; the total annual tax paid by such lands; the percentage of total county income represented by such tax payments; and the average tax return per acre of taxable land. Coupled with this was a study of lands on which taxes had been delinquent three or more years.

- (b) The total acreage of lands in State or county ownership to which title had been established by grants from the Federal Government, the total revenues derived from such lands, the percentage of county income represented by such revenues, and the average return per acre. Coupled with this was a similar study of the lands which had reverted to State or county ownership through tax delinquency.

- (c) The total contributions secured by the local taxing units from the national forests in the form of direct payments from national forest receipts; taxes upon privately owned improvements, Federal payment of costs of road and trail construction and maintenance; cooperation in fish and game protection; and benefits, such as free use by citizens of timber and forage, difference between sale values of timber and prices paid in sales at cost, value to State, private, and outside lands of Forest Service protection against fire, tree diseases, insects, etc.; these factors being reduced to total amounts, returns per acre, and comparisons to total county income.

- (d) The estimated probable returns to States and counties from the national forests, when through more complete utilization and better management they become fully productive.

(e) The potential taxability of national-forest lands, i. e., the acreage which probably would be privately appropriated if the national forests did not exist; the probable assessed valuation of such land if privately owned; the probable tax yield; and the probable return per acre distributed over all national-forest lands in the unit.

(f) The average annual cost of national-forest administration by separate activities during the preceding 5-year period.

(g) The present cost to States, counties, and private owners of road and trail construction and maintenance; protection of forest lands against fire, insects, and disease; protection of fish and game; maintenance of schools for residents within national-forest boundaries; enforcement of civil and criminal processes; and assessment and collection of taxes on lands within national-forests.

(h) An estimate of what the above-described costs to States, counties, and private owners would be if the national forests did not exist.

(i) The extent and cost of present State or county activities in forest protection.

The project as planned did not contemplate field studies or appraisals of land. The Forest Service had neither the men nor money with which to examine private or State and county holdings, and data regarding national-forest lands were already available in the form of a detailed land classification prepared pursuant to the act of August 10, 1912 (37 Stat. 287), and representing the results of eight or more years of careful work by highly qualified members of the Forest Service and other Bureaus of the Department of Agriculture. The study, therefore, was confined to a compilation of pertinent facts and figures from the best available State, county, Forest Service, and other records from which the desired data could be secured without an undue outlay of time or money.

Experience proved the impossibility of making the study in the complete detail originally contemplated. It was dependent in major part upon the data available in State and county records, which vary widely in methods of arrangement, in completeness, and in detail. In some units, excellent records are maintained, consistent classifications of property are used and adequate summaries or analyses are currently compiled. In other units, records are poorly maintained and confusing; division of taxable property into classes is not systematic or consistent; specific summaries or analyses are not available; and approximations based upon the best judgment of present official incumbents sometimes were necessary. No facts were intentionally omitted. Their absence, where it occurred, was because they were not reasonably obtainable.

For the reasons given, the figures herein presented are not regarded as 100 percent accurate. In view, however, of the large numbers of records consulted, and the tremendous acreages of private land, State lands, etc., reported upon, the returns for all practicable purposes can be accepted as dependable, since such doubtful cases or figures as may exist can not make substantial difference in the major conclusions.

Consideration of all phases of the study above outlined is not essential to this discussion. The data related to the granted or revested lands under State or county control and the annual revenues derived therefrom, or to the areas under administration as State forests and the costs of such administration and their relation to income, afford opportunities for many interesting comparisons. However, they do not specifically apply to the national-forest lands herein discussed.

The contributions made by the national forests during the period of the study are matters of detailed record. It is more difficult to measure the results obtainable under the second method. However, the fact that the national-forest lands had previously been classified in detail permitted reasonably correct comparisons with the lands in private ownership and defensible deductions as to the degree to which the national-forest lands would have been privately appropriated had they not been reserved, the values at which such lands would have been assessed if in private ownership, and the probable tax returns on such assessments. It is necessary arbitrarily to assume the probable revenues obtainable from the residual lands and the probable costs of protecting such lands.

As to the third method it might logically be argued that the net gain or loss under State management would not be greatly different from that actually occurring under Federal management. As a means of minimizing doubts, the comparisons are based upon the assumptions that under State management revenues would be 10 per cent greater and costs of protection and administration 20 per cent less than those actually obtained under Federal management, although, as hereinafter indicated, no valid grounds exist for such assumptions.

THE FINANCIAL STATUS OF NATIONAL FOREST ADMINISTRATION, 1923-27

Table 1 is a summarized statement of the financial aspects of national-forest administration during the period of July 1, 1922, to June 30, 1927, as determined by the study above described. The data do not include the costs of national-forest administration in Alaska or in certain counties where the national-forest acreage was too small to warrant the inclusion of the counties in the study. Neither do they include the large previous expenditures for improvements, equipment, and other facilities which tended to minimize administrative costs during the period covered by the study.

TABLE 1.—Summary of total and net average annual Federal expenditures for local national-forest administration <sup>1</sup>

State	Expenditures for local administration		National-forest receipts	Payments (25 percent) to States and counties	Net outlay of Federal funds	Proportion of area of counties involved occupied by national forests
	Total	Per acre				
		Cents				Percent
California.....	\$1, 913, 382. 27	10. 1	\$1, 190, 233. 23	\$297, 558. 31	\$1, 020, 707. 35	22. 1
Oregon.....	1, 275, 731. 00	9. 6	717, 953. 27	179, 488. 32	737, 266. 05	22. 6
Washington.....	1, 107, 820. 47	11. 5	421, 997. 59	105, 499. 40	791, 322. 28	30. 8
Arizona.....	1, 047, 333. 00	9. 2	308, 463. 84	77, 115. 96	815, 985. 12	19. 4
Colorado.....	727, 775. 00	5. 5	413, 695. 19	103, 423. 80	417, 503. 61	29. 8
Nevada.....	94, 776. 00	1. 9	100, 485. 15	25, 121. 29	19, 412. 14	9. 6
New Mexico.....	784, 605. 00	9. 2	153, 384. 82	38, 346. 20	669, 566. 38	15. 2
Utah.....	349, 232. 00	4. 7	209, 500. 12	52, 375. 03	192, 106. 91	14. 3
Idaho.....	2, 180, 944. 66	11. 4	614, 291. 00	153, 572. 75	1, 720, 226. 41	46. 7
Montana.....	1, 909, 203. 39	12. 0	269, 807. 78	67, 451. 94	1, 706, 847. 55	26. 3
Wyoming.....	466, 577. 00	5. 5	273, 784. 35	68, 446. 09	261, 238. 74	23. 6
South Dakota.....	124, 751. 29	11. 7	112, 100. 39	28, 025. 10	40, 676. 00	12. 6
Nebraska.....	28, 681. 20	13. 9	11, 070. 14	2, 767. 54	20, 378. 60	4. 3
Michigan.....	20, 119. 40	15. 9	773. 23	193. 31	19, 539. 48	4. 7
Minnesota.....	130, 192. 45	13. 0	30, 971. 99	7, 743. 00	106, 963. 46	8. 4

<sup>1</sup> All figures shown are yearly averages for period from July 1, 1922, to June 30, 1927.

TABLE 1.—*Summary of total and net average annual Federal expenditures for local national-forest administration—Continued*

State	Expenditures for local administration		National-forest receipts	Payments (25 percent) to States and counties	Net outlay of Federal funds	Proportion of area of counties involved occupied by national forests
	Total	Per acre				
		<i>Cents</i>				<i>Percent</i>
Arkansas.....	\$154,697.00	15.7	\$77,448.80	\$19,362.20	\$96,610.40	11.8
Oklahoma.....	17,945.00	29.2	6,352.42	1,588.10	13,180.68	7.8
Alabama.....	22,191.00	20.7	676.84	169.21	21,683.37	12.6
Florida.....	42,396.00	12.4	24,570.97	6,142.74	23,967.77	8.2
Georgia.....	44,275.00	22.7	9,352.67	2,338.17	37,260.50	14.4
South Carolina.....	7,445.00	18.1	1,927.57	481.89	5,999.32	9.9
North Carolina.....	121,293.00	32.2	26,730.08	6,682.52	101,245.44	8.7
Tennessee.....	77,300.00	23.9	14,340.24	3,590.06	66,529.82	13.0
Virginia.....	89,905.00	15.7	34,069.61	8,517.40	64,352.79	9.3
West Virginia.....	46,540.00	20.7	3,697.33	924.33	43,767.00	8.2
Maine.....	5,500.00	17.1	2,495.46	623.86	3,628.40	2.5
New Hampshire.....	44,905.00	10.5	31,763.66	7,940.92	21,082.26	14.9
Pennsylvania.....	53,185.00	24.8	494.56	123.64	52,814.08	10.7
Total or average..	12,888,701.13	9.45	5,062,452.30	1,265,613.08	9,091,861.91	21.5

In substance, in 397 counties in the continental United States 136,375,417 acres were under national-forest management during the period of the study. They represented an average of 21.5 percent of the total areas of the counties in which situated, varying from a minimum of 2.5 percent in Maine to a maximum of 46.7 percent in Idaho. During the 5-year period the expenditures of the Federal Government in the protection, development, and management of these lands averaged \$12,888,701 per year, including all costs of constructing and maintaining highways, roads, trails, and other physical improvements, but exclusive of the costs of the Washington office, the Forest Products Laboratory, the eight forest experiment stations, and the various activities of the Forest Service not directly related to the actual protection, development, and management of the national-forest lands. These expenditures averaged 9.45 cents per acre per year for the lands covered by the study, the acreage average ranging from a minimum of 1.9 cents in Nevada to a maximum of 32.2 cents in North Carolina.

In offset to these expenditures the national forests yielded revenues averaging \$5,062,452 per year. Of this sum, however, \$1,265,613 was repaid to the States for distribution to the counties embracing the national-forest lands, so that the average net return to the Treasury was \$3,796,839, which, credited against total administrative expenditures, reduced them to an annual average of \$9,091,862.

These expenditures aided the States in several specific ways, namely:

1. They increased State and county financial resources by the annual payment of substantial sums, comprising one fourth of the total gross revenues derived from sales of natural resources and uses of lands, without any State or county costs of collection. While it is true that the money thus paid can be used only for school and road purposes, its availability released other State or county funds for other classes of expenditures, including forestry.

2. They substantially reduced the amounts of money which the States and counties had to spend to properly safeguard and conserve natural resources vital to their continued economic and social progress.

3. They markedly reduced the amounts of money the States and counties had to spend to provide and maintain the systems of highways, roads, and trails essential to existing and prospective public needs.

4. They made available to the States and counties for the enforcement of State laws and county ordinances, such as the fish and game laws, fire laws, sanitary laws, etc., the cooperative assistance of a widely distributed and trained organization, and correspondingly diminished the expenditures the local agencies otherwise would have had to make to carry out properly their regulatory functions.

5. They indirectly benefited all State, county, or private lands intermingled with or contiguous to the national-forest lands by minimizing losses from fire, disease, and insects; and benefited the local economic situations by making available to local populations valuable privileges and uses which facilitated local commercial and industrial development and land use, and correspondingly enhanced local values.

Table 2 quantitatively summarizes the extent of these benefits. The first column of figures covers item 1, the second column items 3 and 4, and the fourth column item 5. The figures in the first column are matters of detailed record; those in the second are based on detailed road and trail expenditures and cost distribution records; and only those in the fourth column are approximations.

EFFECT OF NATIONAL FORESTS UPON COSTS OF LOCAL GOVERNMENT

In offset to the evident benefits accruing locally from the national forests, the representation frequently has been made that the existence of national forests markedly increases the general costs of local government. The study herein discussed therefore included consideration of that aspect of the situation.

Primarily the functions of State and county government are:

- 1. The protection of public safety, health, and property.
- 2. The enforcement of civil and criminal processes under State law or county ordinance.
- 3. The promotion of public education.

TABLE 2.—Summary of national forest contributions to State or county revenues or development programs during fiscal years 1923 to 1927

State	Direct contribution to revenues or development programs			Additional benefits and privileges to citizens (estimated)
	Average annual payment <sup>1</sup>	Direct aid—roads, law enforcement, etc.	Total	
California.....	\$297, 558	\$1, 205, 564	\$1, 503. 122	\$12, 056
Oregon.....	179, 488	1, 348, 772	1, 528, 260	19, 443
Washington.....	105, 500	801, 609	907, 109	13, 468
Arizona.....	77, 116	624, 091	701, 207	31, 312
Colorado.....	103, 424	537, 751	641, 175	52, 317
Nevada.....	25, 121	166, 185	191, 306	2, 944
New Mexico.....	38, 346	416, 554	454, 900	51, 127

<sup>1</sup> 25 per cent of national-forest receipts.

TABLE 2.—Summary of national forest contributions to State or county revenues or development programs during fiscal years 1923 to 1927—Continued

State	Direct contribution to revenues or development programs			Additional benefits and privileges to citizens (estimated)
	Average annual payment	Direct aid—roads, law enforcement, etc.	Total	
Utah.....	\$52, 375	\$332, 345	\$384, 720	\$13, 398
Idaho.....	153, 573	1, 520, 348	1, 673, 921	88, 933
Montana.....	67, 452	1, 054, 791	1, 122, 243	43, 641
Wyoming.....	68, 446	443, 411	511, 857	18, 703
South Dakota.....	28, 025	79, 985	108, 010	8, 752
Nebraska.....	2, 768	11, 743	14, 511	302
Michigan.....	193	1, 863	2, 056	3, 380
Minnesota.....	7, 743	72, 750	80, 493	18, 939
Arkansas.....	19, 362	68, 560	87, 922	39, 493
Oklahoma.....	1, 588	8, 817	10, 405	111
Alabama.....	169	8, 038	8, 207	2, 956
Florida.....	6, 143	24, 499	30, 642	929
Georgia.....	2, 338	13, 954	16, 292	2, 682
South Carolina.....	482	3, 505	3, 987	893
North Carolina.....	6, 683	81, 240	87, 923	6, 874
Tennessee.....	3, 590	31, 048	34, 638	2, 411
Virginia.....	8, 517	55, 527	64, 044	4, 221
West Virginia.....	924	19, 369	20, 293	6, 124
Maine.....	624	3, 432	4, 056	185
New Hampshire.....	7, 941	34, 469	42, 410	2, 388
Pennsylvania.....	124	9, 561	9, 685	3, 880
Total.....	1, 265, 613	8, 979, 781	10, 245, 394	451, 862

4. The development and maintenance of public improvements.

The examining officers experienced great difficulty in obtaining accurate figures on the amounts expended by the counties, the States, and the private owners of land, within the national forests, in road and trail construction and maintenance, the protection of State or private forest lands against fire, insects, or disease, the protection of fish and game, the maintenance of schools for residents within national-forest boundaries, the enforcement of civil and criminal processes, and the assessment and collection of taxes on lands within national forests. In the great majority of cases the county officials were unable to segregate the costs applicable to national-forest areas. Costs of school maintenance were most readily determinable because they represented fixed activities at fixed locations, but frequently only a part of the cost could be charged to national-forest territory. Road and trail construction and maintenance costs were reasonably determinable. The other items of cost specifically chargeable to the national-forest areas were not determinable because they were not segregated from the similar expenditures upon parts of the country not within the national forest.

As a matter of fact, the majority of county and State expenditures are influenced by project activities or by population rather than by area of land. The existence of national forests reduces rather than increases the burden of cost to counties and States. The national-forest lands are protected against fire, insects, and disease at Federal expense without contributions by the county or State except where county or State property is directly involved. State, county, and private lands indirectly benefit from this protection. The Federal Government also cooperates liberally in the development and maintenance of the most expensive classes of public improvements, namely,

the roads and trails. Thus, in two important respects, the national forests diminish rather than increase the costs of county government. Although the protection of fish and game is primarily a State function, the State largely is relieved of that responsibility within the national forests through the cooperation of the forest officers. The continued presence and active cooperation of forest officers under present conditions makes it unnecessary for the States to station any game wardens within large areas of national-forest lands. Were it not for the cooperation of the forest officers, the employment of additional game wardens would be absolutely necessary, the total cost of their salaries and expenses being chargeable to the specific areas now within national forests.

The same principle applies to other activities now handled by the field officers of the Forest Service with a minimum of contributed time but which in the absence of such cooperation would require the employment of additional men or the expenditure of additional funds by the State, county, and private interests directly involved. The enforcement of civil and criminal processes is least necessary within the predominantly publicly owned national forests, and the presence within such areas of trained and highly qualified men prepared to cooperate with the local authorities in the enforcement of State laws and county ordinances diminishes rather than increases the expense of such enforcement. Since the national forests normally are the most scantily populated parts of a county, they impose minimum requirements of public education. The return to the county of 25 percent of gross national-forest revenues annually is secured without any process of land assessment or tax collection, so that the counties are relieved of the costs of such work. The assessment and collection of taxes on private lands or improvements within national forests is facilitated rather than hampered by the existence of the forests because of the excellent status and other records available to the State or county officials. The difficulty of securing definite estimates of costs from the State officials themselves is rather a concrete demonstration of the negligible or the wholly minus character of such costs to the county or State.

Subject to these numerous explanatory qualifications, the results of this phase of the study are presented in the first column of figures in table 3.

TABLE 3.—*Approximate effect of Federal administration of national forests upon costs of State and county government and private land management within and adjacent to the national forests for the fiscal years 1923-27*

State	Estimated actual cost of local government and land management			Theoretical cost of local government and land management if there had been no national forests			Increase in costs without national forests
	State	County	Private	State	County	Private	
California.....	\$2, 038, 718	\$1, 282, 685	\$142, 383	\$2, 567, 467	\$1, 992, 024	\$209, 629	\$1, 305, 334
Oregon.....	692, 795	419, 698	47, 118	1, 150, 000	839, 425	247, 800	1, 077, 614
Washington.....	739, 305	204, 675	80, 931	1, 152, 500	454, 485	217, 500	799, 574
Arizona.....	281, 712	581, 430	24, 830	709, 244	971, 180	12, 429	804, 881
Colorado.....	179, 800	587, 000	42, 240	386, 800	805, 600	52, 600	435, 960
Nevada.....	586	18, 200	627	167, 300	39, 400	654	187, 941
New Mexico.....	41, 000	351, 750	21, 300	322, 000	586, 400	63, 340	557, 690
Utah.....	43, 700	52, 100	4, 800	324, 000	174, 100	4, 800	402, 300
Idaho.....	78, 800	271, 325	74, 500	600, 000	767, 250	276, 000	1, 218, 625
Montana.....	85, 421	264, 039	65, 850	258, 300	689, 100	138, 100	670, 190
Wyoming.....	31, 062	87, 246	131	329, 000	168, 664	-----	379, 225

TABLE 3.—*Approximate effect of Federal administration of national forests upon costs of State and county government and private land management within and adjacent to the national forests for the fiscal years 1923-27—Continued*

State	Estimated actual cost of local government and land management			Theoretical cost of local government and land management if there had been no national forests			Increase in costs without national forests
	State	County	Private	State	County	Private	
South Dakota.....	\$89,360	\$462,100	\$500	\$115,300	\$499,600	\$967	\$63,907
Nebraska.....	400	24,312	0	3,050	37,750	0	16,088
Michigan.....	835	4,055	0	2,100	5,130	0	2,340
Minnesota.....	26,045	25,760	0	32,045	75,290	0	55,530
Arkansas.....	189,737	157,990	71,340	342,302	222,270	85,740	231,243
Oklahoma.....	0	1,600	-----	3,050	7,300	100	8,850
Alabama.....	1,750	7,704	-----	1,750	13,591	-----	5,889
Florida.....	7,826	40,022	-----	15,554	74,925	-----	42,631
Georgia.....	3,425	12,000	-----	3,925	21,125	-----	9,625
South Carolina.....	-----	640	-----	-----	877	-----	237
North Carolina.....	-----	13,544	-----	768	20,213	-----	7,437
Tennessee.....	11,605	92,170	-----	14,000	102,720	-----	12,945
Virginia.....	10,240	26,825	155	13,370	50,350	-----	26,500
West Virginia.....	2,300	68,314	1,110	4,930	69,100	-----	2,306
Maine.....	61,890	179,880	0	72,450	196,100	-----	26,780
New Hampshire.....							
Pennsylvania.....	16,965	14,900	4,150	26,600	21,530	-----	12,115
Total.....	4,635,277	5,251,964	581,965	8,617,803	8,905,499	1,309,659	8,363,755
Increase in costs without national forests.....	-----	-----	-----	3,982,526	3,653,535	727,694	8,363,755

## PROBABLE COSTS OF LOCAL GOVERNMENT WITHOUT NATIONAL FORESTS

The next step in the study was to approximate the costs which would have had to be borne by the State, the county, and private owners of land, if the national forests did not exist. This was a matter of great difficulty because of the lack of definite information as to the intensity of protection and administration which would under such circumstances prevail. Some reporting officers assumed that if the national forests did not exist, the prevailing standard of protection, management, and improvement would be maintained by other public and private agencies and based their estimates of cost accordingly. Other reporting officers assumed that if the national forests did not exist the lands comprising them would be subject to the indifference and neglect which characterizes many comparable areas not within the national forests, and consequently included in their estimates only the obviously necessary minimum requirements, making no provision for a continuance of constructive standards of forest and watershed protection and management. Some reporting officers assumed that in the absence of the present indirect benefits from national-forest protection, owners of private land would supply, at their own expense, substitute protection against fire, insects, or disease; while others reasoned that the private landowners would merely pay their proportionate share, in the form of taxes, of such additional forest protection as the State or county might provide.

Such figures as were secured, therefore, were incomplete and broadly approximate. With that qualification they also are presented in table 3. They indicate that if national forests had not existed the annual average of \$10,469,206 actually expended by States, counties, and private owners, under prevailing circumstances would have been increased to an estimated expenditure of \$18,832,961, or an additional sum of \$8,363,755. The fact that this estimated increase in cost is

more than \$4,000,000 below the then prevailing average annual expenditure for national-forest protection and management within the counties covered by reports indicates that it is not an exaggerated estimate. Detailed comparisons of estimated State, county, and private costs as compared to actual national-forest expenditures within specific counties almost uniformly demonstrated that the estimated costs were conservative.

Accepting the returns at their face value, the absence of national-forest management during the period July 1, 1922, to June 30, 1927, would have increased the average annual cost to the counties from an estimated \$5,251,964 to \$8,905,499, a difference of \$3,653,535. The cost to the several States would have jumped from \$4,635,277 to \$8,617,803, a difference of \$3,982,526. The \$581,965 expended by private landowners would have been increased to \$1,309,659, a difference of \$727,694.

To have maintained financial parity with then existing conditions, the States and counties, if they had adequately managed the areas without the aid of the national forests, would have had to derive from these lands incomes as much in excess of what they received under the then prevailing arrangement as their additional expenditures would have been in excess of their approximate actual costs, or, in other words, an increase of more than \$7,600,000 over approximate actual expenditures. It is quite improbable that they could have done so. The national-forest resources were being utilized as fully as prevailing economic and industrial conditions allowed, with due regard to the permanency and sustained production of such resources. Substantially greater revenues could have been obtained only through substantially increased charges for resources and land uses; the bulk of the burden of such increased charges would fall largely upon local industries; and the ability of such industries to pay taxes upon their privately owned property would be correspondingly diminished. The net benefits to the county would be debatable.

#### THE PROBABLE SITUATION IF THE NATIONAL FORESTS HAD NOT BEEN CREATED

Regardless of the degree to which the beneficial consequences of national-forest administration may be quantitatively or otherwise expressed, there may be honest and sincere doubts as to whether some other form of public action would not have yielded larger or more substantial results. Adequate consideration of the entire problem, therefore, demands a discussion of the possibilities and probable consequences of such other courses of action as were capable of public adoption. As previously indicated, there were two other courses available—first, the continued passage to or retention in private ownership of all lands attractive to private initiative, plus State or county management of the residual lands; second, the cession of all public lands to the States for permanent administration as State forests. Since neither of these courses was adopted in relation to the national forests the conclusions as to their probable consequences necessarily must be largely circumstantial and hypothetical. But justification does exist for determining the conditions which actually resulted in relation to comparable types of land within the same regions and subject to the same circumstances and by processes of comparison and analogy applying such conditions to the national-forest lands.

BEST LANDS PRIVATELY APPRAISED AND TAXED—RESIDUAL  
LANDS PROTECTED BY STATES

As a part of the process of comparison, the reporting officers were asked to make the best possible estimate of the potential taxability of national-forest land and the tax return which might be expected if the national forests were abolished and the lands made freely available for appropriation under the applicable public land laws. Decision as to whether lands of certain types would or would not be appropriated was to be based upon the capacity of the land for profitable production and its adaptability to private use and management, with due regard to actual conditions and results within comparable areas open to private ownership. Probable assessed valuations and probable tax returns were based upon the assessments and tax payments of similar privately owned lands within the region. In this process it was assumed that national-forest lands comparable in character to unreserved public lands which, though freely open to entry, remain unappropriated would not be taken up even though the national forests did not exist; consequently lands of this type were eliminated from the calculation of potential taxability as were also lands of types or conditions which, where privately owned within the same region, were being allowed to revert to the county for delinquent taxes.

The degree to which lands now reserved for national-forest purposes would be appropriated if opened to entry is difficult of approximation. One perplexing question is afforded by the lands chiefly valuable for grazing purposes. Under open-range conditions, stock growers as a general rule acquire title only to the key lands such as meadows, springs, stream borders, or other strategic points, which so fully control the use of all commingled lands that the holder of the key lands has practically exclusive use without ownership or tax payment. It is impossible accurately to determine how far this practice would prevail if the national forests did not exist. If it were general, the States or counties would derive no tax from the major part of the grazing lands, whereas at present they receive 25 percent of all grazing receipts therefrom.

Another debatable point is the extent to which private owners would appropriate and continue to pay taxes upon lands supporting inferior stands of timber. The national forests contain large areas supporting what is designated as "protective forest" for which no economic demand is probable for many years to come. Grounds exist for honest doubt as to the degree to which this class of timbered land would pass to private ownership if subject to appropriation.

The assumption that owners of timbered lands generally would continue to pay heavy taxes until cutting becomes economically feasible or after the timber is removed is in large measure controverted by the rapidity with which much cut-over and some timbered land with no considerable value for other purposes, such as farming, grazing, etc., is being allowed to revert for taxes in many regions. Growth, yield, and cost studies by the Forest Service indicate that the less productive types of forest land cannot, with current or probable stumpage values, pay appreciable net returns over interest, taxes, and other carrying charges, at the present rate of capital investment, taxation, and protection cost. Attempts to realize an immediate contribution to local governmental costs by taxes disproportionate to income would tend to force much land into a condition of unproductivity. A

method of administration which will permit the continued constructive management of the properties and the fullest realization of their wealth-producing capacity is far more logical.

The true criterion of the capacity of any given class of land to contribute to the cost of State or county government is the income producing, or consequent rental or investment value of such land. Experience is demonstrating that long-accepted principles of private ownership of land and timber are in many cases economically fallacious; past payments of taxes upon privately owned lands are no criteria of future payments. The tax returns from privately owned forest lands are continually diminishing as the timber is cut off and serious question is arising in some localities as to whether the present owners of uncut timberland which will not be marketable for a decade or two can afford to carry the costs of its ownership for the further period which must elapse before the timber value profitably can be realized. Upon lands which contain stored up or accumulated natural values, such as timber for which a reasonably early market can be foreseen, the owners will, of course, continue to pay taxes until such time as those values can be completely exploited. Lands held with this object in view temporarily can pay a higher tax than lands held for permanent productivity. But in many forested regions the payment of taxes is discontinued as soon as the accumulated values are removed.

In view of these circumstances it is debatable whether the national-forest lands, considering their character and economic capacity to produce wealth, could under any other form of ownership contribute more to the cost of State and county government than they ultimately will contribute under the existing procedure. At present, the capacity of private ownership to pay prevailing rates of taxation is based primarily upon the existence of accumulated natural wealth created without human effort, acquired, at small expense and temporarily preserved, pending utilization, by minimum expenditures for protection. The national forests, of course, contain comparable stored-up or accumulated natural values, but their importance as sources of future supply, rather than of immediately marketable commodities, justifies larger expenditures than private owners would make to preserve and perpetuate such values; while upon much of the national-forest area the objective and requirement is to create new values. Where such objectives and requirements exist, old rules of taxation conceivably may be inappropriate and inimical. No equitable comparison can be made between the proper contribution to costs of local government by privately-owned lands and by national-forest lands until private lands are placed upon the same basis of permanency in timber production, watershed protection, and other stabilized land uses; nor can an equitable comparison be made without taking into account the fact that the returns from the national forests will progressively increase as their resources become more fully usable and more fully developed.

These common problems aside, some variation existed in working out this phase of the study. Some reporting officers classed as potentially taxable some lands that apparently will not become privately desirable for many years, while others excluded such lands from the taxable category. Some reporting officers included as potentially taxable all lands which might be privately appropriated even for temporary uses—others only the lands of such character as to create the presumption that they would remain permanently in private owner-

ship and taxable if appropriated. Severity of classification in some units is offset by liberality of classification in others. The figures derived may vary as much as 25 percent from the maximum private appropriation which actually might occur were the national forests thrown open to entry.

In estimating the potential taxability of national-forest lands no consideration was given to mineral lands, since such lands are now freely open to appropriation under the general mining laws of the United States and would in no way be affected by the abolition of the national forests. The passing comment may, however, be made that the inclusion of such lands within national forests retains them in a status which permits of their full and free development when otherwise they might have been locked up by appropriations for other purposes.

In compiling statistics as to tax payment on private lands, an effort was made to obtain averages over a period of several years, but where this was not practicable statistics for the last completed tax period were secured. All figures given are for nonurban lands exclusive of improvements. In compiling the figures the plan primarily was to determine the taxes actually paid, but in a majority of cases it was necessary to report instead the taxes as levied by the assessors, which means that the payments shown are greater than those actually collected, since inevitably there would be some delinquency.

In reaching conclusions as to the potential taxability of national-forest lands it is necessary to bear in mind the general difference between such lands and the privately owned taxable properties in the same political unit. With the exception of the lands purchased for national-forest purposes in the Eastern States, the national forests, speaking broadly, are the public lands which remained after an extended period of settlement and appropriation. They are confined largely to the higher elevations of the principal mountain masses of the United States and consequently embrace a great deal of land of low productive value, difficult of accessibility or utilization. It is futile to assume that lands of such character are permanently capable of making substantial contributions to local costs of government whether they are in private or public ownership. This fact necessarily must be taken into account in the consideration of the present subject. With the possible exception of place grants to railroads, States, or other agencies, the privately owned taxpaying lands within national-forest counties normally represent the choicest and most desirable lands, the eagerly acquired, permanently held, and highly developed revenue-productive properties upon which the economic life and industrial prosperity of the unit largely is built. They include the valuable agricultural and grazing lands, the best and most accessible timber, and the lands most highly developed for resort and summer-home purposes. The returns per acre from such lands naturally and properly should be several times the returns per acre which may be expected from lands of the character reserved for national-forest purposes. Yet the disparity is not so great as might be expected. In some cases, the exclusion of a minor acreage of the most valuable lands from the calculations would bring the average tax return from the remainder of the private lands into substantial harmony with the average return from the national-forest land.

In many units, tax-delinquent private lands which make no return whatever to county costs afford opportunity for interesting comparisons with the national-forest lands which do make a substantial

return. It was difficult, however, to secure completely dependable figures on tax-delinquent or tax-revested land. In many counties records of tax-delinquent or tax-revested lands, particularly the latter, were poor. At best, the data on tax-delinquent lands are confusing because of repeated purchases at tax sales; and even within a given State the counties do not appear to follow uniformly the procedure of State law, and numerous instances were encountered where counties maintain no record of delinquent land as such. In certain counties, the county officials stated that it would take from 1 to 2 months to make accurate statements of delinquent land by classes. For these reasons, the delinquent land figures compiled in the study necessarily are minimum, since it was quite improbable that any land was improperly included but quite certain that much delinquent land was not included.

Table 4, columns 8, 9, 10, and 11 picture roughly the extent to which the lands now reserved for national-forest purposes might, through taxation, have contributed to the costs of local government if they had not been withdrawn from private appropriation and ownership by reservation or purchase. Emphasis must, however, be laid upon the fact that the figures shown are of historical rather than current or future value. They were compiled in 1927, were intentionally made liberal even under 1927 conditions, and in the form presented are substantially greater than the figures initially developed by the reporting officers.

TABLE 4.—Study of actual taxability of private lands and potential taxability in States containing national forests <sup>1</sup>

State	Returns from private land in counties containing national forests				
	Acreage assessed		Average annual tax		
			Total levy	Per acre	Ratio to county income
	Acres	Percent			Percent
California.....	39,938,972	46.5	\$70,778,510	\$1.770	30.6
Oregon.....	27,011,177	46.7	11,859,340	.439	22.0
Washington.....	11,486,302	43.4	10,052,234	.875	25.4
Arizona.....	8,439,358	14.6	1,787,387	.212	11.9
Colorado.....	13,860,988	31.3	4,817,773	.348	28.5
Nevada.....	3,504,102	7.6	363,974	.104	14.0
New Mexico.....	17,064,212	30.4	1,213,625	.071	20.2
Utah.....	7,179,325	13.9	2,108,919	.294	12.5
Idaho.....	10,722,247	26.2	4,130,842	.385	23.3
Montana.....	29,995,534	49.5	4,403,367	.147	21.1
Wyoming.....	8,005,755	22.4	1,361,427	.170	8.3
South Dakota.....	5,798,716	69.2	1,213,289	.209	55.0
Nebraska.....	4,188,467	88.4	241,560	.058	42.8
Michigan.....	1,419,416	53.0	337,483	.238	56.0
Minnesota.....	8,257,750	74.1	4,902,530	.594	50.0
Arkansas.....	<sup>2</sup> 4,040,712	80.2	615,112	.152	40.8
Oklahoma.....	482,418	62.2	145,958	.303	-----
Alabama.....	762,472	89.6	104,783	.137	56.3
Florida.....	3,459,152	82.9	2,443,686	.706	68.8
Georgia.....	1,111,903	82.8	144,542	.130	42.4
South Carolina.....	391,615	94.1	58,709	.150	23.4
North Carolina.....	3,776,425	87.8	1,692,616	.448	29.1
Tennessee.....	2,137,815	86.5	1,186,160	.555	47.0
Virginia.....	4,530,065	73.5	1,607,499	.355	30.5
West Virginia.....	1,743,848	63.8	531,029	.304	34.4
Maine.....	1,224,738	96.7	453,868	.371	36.1
New Hampshire.....	2,429,844	84.7	2,632,523	1.083	55.9
Pennsylvania.....	1,710,348	85.7	519,654	.304	17.1
Total or average.....	224,673,676	-----	131,708,399	.586	-----

<sup>1</sup> Periods covered by taxation data vary from a single year in some States to average of 2, 3, or 5 years in others.

<sup>2</sup> In only 10 out of 18 counties.

TABLE 4.—Study of actual taxability of private lands and potential taxability in States containing national forests—Continued

State	Land tax delinquent 3 or more years		Potential taxability of national forest lands 3			
	Area	Amount	Area adapted to private ownership	Probable assessed value if privately owned	Tax yield if privately owned	Return per acre of total national forest area
	Acres		Acres			
California.....	110,716	(5)	4,179,148	\$36,676,629	\$1,168,770	\$0.062
Oregon.....	952,149	\$825,927	7,779,225	48,424,703	1,468,714	.111
Washington.....	615,014	1,338,191	2,332,941	24,728,639	1,354,940	.141
Arizona.....	(5)	522,395	7,472,000	20,365,680	453,258	.040
Colorado.....	408,731	157,328	3,214,189	4,281,497	395,953	.030
Nevada.....	7,128	2,164	91,272	260,970	4,516	.001
New Mexico.....	(5)	1,924,190	7,837,200	9,054,450	238,781	.028
Utah.....	198,526	156,571	2,618,795	9,341,228	230,580	.031
Idaho.....	989,279	615,763	2,990,170	20,838,621	668,536	.035
Montana.....	1,030,472	1,193,139	2,686,212	22,039,136	341,580	.021
Wyoming.....	216,814	27,149	845,218	4,945,505	74,259	.009
South Dakota.....	503,667	3,318,935	281,890	2,222,872	60,785	.057
Nebraska.....	(5)	(5)	205,946	590,622	8,614	.042
Michigan.....	295,312	67,433	1,020	21,506	787	.006
Minnesota.....	1,097,189	2,749,833	63,000	497,645	21,425	.021
Arkansas.....	4 25,160	5,005	858,588	2,649,341	79,053	.081
Oklahoma.....	62,803	23,786	56,480	167,720	3,477	.057
Alabama.....	(5)	(5)	107,000	261,885	5,722	.053
Florida.....	317,480	108,811	343,180	636,745	35,595	.104
Georgia.....	(5)	(5)	193,859	523,678	12,506	.065
South Carolina.....	(5)	(5)	41,042	49,045	2,575	.063
North Carolina.....	(5)	(5)	376,183	1,537,671	27,403	.073
Tennessee.....	(5)	(5)	322,790	920,631	19,978	.062
Virginia.....	(5)	(5)	574,286	714,845	16,039	.028
West Virginia.....	(5)	(5)	225,318	436,380	9,258	.041
Maine.....	(5)	(5)	32,256	165,701	7,092	.220
New Hampshire.....	(5)	(5)	427,325	2,328,958	65,078	.152
Pennsylvania.....	(5)	(5)	214,416	846,149	46,011	.215
Total or average .....	6,830,440	13,036,620	46,370,949	215,528,452	6,821,285	.050

3 Area, value, and tax yield are based on area adapted to private ownership. Yield per acre is figured on total acreage of national forests in States.  
4 Applies to all 18 national forest counties.  
5 Data not available.

Economic facts and trends during the past five years largely have invalidated the 1927 determinations. A true realization of the economic potentialities of such types of wild land markedly has reduced the incentive to convert such lands to private ownership and to assume the attendant obligations of annual tax payments, special assessments, protection costs, interest charges, and other cost items. For example, western livestock growers now realize that ownership of range lands, other than those of highest productivity or greater strategic control, at the prices and subject to the taxes prevailing during the past decade, spells insolvency more frequently than profit. Owners of certain types of forest lands have reached the same conclusions. This fact adequately is confirmed by the tremendous increase in tax delinquency manifest in recent years and discussed in another section of this report. It is further confirmed by the present disinclination to appropriate any appreciable part of the 173 million acres of public lands which remain unreserved and unappropriated. A current study of the degree to which the national-forest lands are adapted to private ownership and management and capable of permanently contributing to costs of local government through annual taxation would yield results far less optimistic than those pictured in table 4. The economic capacity of the less productive lands to yield returns

over and above the costs of their own constructive management obviously has certain inherent limitations.

After all lands attractive to private initiative had been appropriated there would still remain large acreages in public ownership, subject to progressive increase as private initiative exploited its lands and allowed them to revert to public ownership through tax delinquency. In some instances these residual lands would form large compact areas susceptible of economical protection and management; in others they would be widely interspersed among private lands and difficult either of protection or management. Collectively they would constitute a public obligation of large proportions. In the circumstances under discussion, this obligation logically would rest upon the State.

Under adequate management these lands normally should produce some revenues, but these would be far below the average returns derivable from the entire national-forest acreage. Generally their productivity would be of the lowest and their utilization most difficult and expensive. Frequently their use would be so completely controlled by intermingled private lands that there could be no competition, hence no need of compensation for their use. In approximating the probable revenues from such lands, consideration must be given to their economic value and the difficulties attendant upon their use. No fixed rule or principle would be generally applicable. The conclusions necessarily must be based upon individual judgment and knowledge but unavoidably must be arbitrary.

In the States of Alabama, Florida, Georgia, North Carolina, South Carolina, Tennessee, Virginia, West Virginia, Maine, New Hampshire, and Pennsylvania, all national-forest lands were classed as susceptible to private ownership and used in computing the possible tax return, leaving no residue for which to compute a possible income. In the other States the proportions and income-producing possibilities of the residual lands varied markedly because of the wide differences in the proportions of the lands that theoretically could be privately owned and the kind, quantity, and distribution of those which would remain in public ownership. Residual lands primarily valuable for grazing use might continue to yield relatively high revenues while lands valuable only for the inferior stands of timber thereon would yield little or nothing in the way of cash returns. By the processes indicated and on the basis of average annual returns under national-forest management from 1923 to 1927, the probable returns per acre per annum from the residual lands were worked out as follows:

	<i>Cents</i>		<i>Cents</i>
California.....	2	Montana.....	1
Oregon.....	2	Wyoming.....	2
Washington.....	1. 5	South Dakota.....	5
Arizona.....	1	Nebraska.....	5. 4
Colorado.....	1. 4	Michigan.....	. 5
Nevada.....	2	Minnesota.....	1. 5
New Mexico.....	1	Arkansas.....	3
Utah.....	2	Oklahoma.....	5
Idaho.....	1. 5		

It is a logical assumption that if all the most productive and valuable lands were privately appropriated the justifiable expenditure per acre of public funds upon the remaining lands necessarily would be much lower than the average expenditures made in the fiscal years 1923-27. On the other hand, the lands remaining in public ownership would

be more difficult to protect and manage because of their widespread dispersal among lands not under public control. The conclusion was reached that the probable average cost of protecting, developing, and managing the residual lands would be approximately two thirds of the average actual expenditures per acre on the national forests 1923-27. In the 11 eastern States where all of the land was classified as potentially susceptible of private ownership, with no residue demanding public protection, there would, of course, be no protection costs. In the other States the probable costs per acre of protecting, developing, and managing the residual lands, presupposing the same intensity of protection, development, and management that is given similar types of lands in the national forests, were estimated to be as follows:

	Cents		Cents
California-----	6. 6	Montana-----	8
Oregon-----	6. 34	Wyoming-----	3. 66
Washington-----	7. 6	South Dakota-----	7. 75
Arizona-----	1	Nebraska-----	13
Colorado-----	3. 6	Michigan-----	14
Nevada-----	1. 4	Minnesota-----	9. 1
New Mexico-----	2	Arkansas-----	12
Utah-----	3. 1	Oklahoma-----	20
Idaho-----	7. 5		

TABLE 5.—Assumption I—Permanent private ownership and consequent taxation of all suitable lands plus State management and protection of residual public lands <sup>1</sup>

State	Theoretical returns to States			Theoretical cost of care of public lands	Net loss (–) or gain (+)
	Taxes on private lands	Revenues from public lands	Total		
California-----	\$1, 168, 770	\$295, 845	\$1, 464, 615	\$976, 289	+\$488, 326
Oregon-----	1, 468, 714	109, 181	1, 577, 895	346, 105	+1, 231, 790
Washington-----	1, 354, 940	109, 179	1, 464, 119	553, 174	+910, 945
Arizona-----	453, 258	38, 657	491, 915	38, 657	+453, 258
Colorado-----	395, 953	124, 491	520, 444	358, 533	+161, 911
Nevada-----	4, 516	86, 446	90, 962	60, 513	+30, 449
New Mexico-----	238, 781	6, 713	245, 494	13, 427	+323, 067
Utah-----	230, 580	95, 421	326, 001	147, 902	+178, 099
Idaho-----	668, 536	241, 502	910, 038	1, 207, 510	–297, 472
Montana-----	341, 580	132, 334	473, 914	1, 058, 669	–584, 755
Wyoming-----	74, 259	151, 620	225, 879	277, 464	–51, 585
South Dakota-----	60, 785	39, 062	99, 847	60, 546	+39, 301
Nebraska-----	8, 614	11, 121	19, 735	26, 773	–7, 038
Michigan-----	787	628	1, 415	17, 587	–16, 172
Minnesota-----	21, 425	14, 071	35, 496	85, 362	–49, 866
Arkansas-----	79, 053	3, 619	82, 672	14, 478	+68, 194
Oklahoma-----	3, 477	250	3, 727	1, 000	+2, 727
Alabama-----	5, 722	-----	5, 722	-----	+5, 722
Florida-----	35, 595	-----	35, 595	-----	+35, 595
Georgia-----	12, 506	-----	12, 506	-----	+12, 506
South Carolina-----	2, 575	-----	2, 575	-----	+2, 575
North Carolina-----	27, 403	-----	27, 403	-----	+27, 403
Tennessee-----	19, 978	-----	19, 978	-----	+19, 978
Virginia-----	16, 039	-----	16, 039	-----	+16, 039
West Virginia-----	9, 258	-----	9, 258	-----	+9, 258
Maine-----	7, 092	-----	7, 092	-----	+7, 092
New Hampshire-----	65, 078	-----	65, 078	-----	+65, 078
Pennsylvania-----	46, 011	-----	46, 011	-----	+46, 011
Total-----	6, 821, 285	1, 460, 140	8, 281, 425	5, 243, 989	+3, 037, 436

<sup>1</sup> Assumption I is based on figures for Federal fiscal years 1923 to 1927.

As developed by this method of analysis, the indicated financial consequences to the States of a policy of private appropriation, ownership, and protection of all lands attractive to private enterprise, and State protection and management of the unappropriated or revested lands, are shown in table 5. The premises are believed to be valid and conservative. They indicate that if instead of being administered as national forests the lands involved were passed to private ownership to the fullest degree warranted by their inherent values and taxed on the same bases as similar lands in private ownership, and if the lands remaining in public ownership yielded the highest return per acre per annum that probably could be realized, and if the States protected, developed, and managed the lands remaining in public ownership with the same qualitative and quantitative standards as those hitherto applicable to the same lands, 6 of the States would incur annual deficits and 22 of the States would derive net financial returns. In 17 of these States the theoretical net return under this method would be less, in some cases very much less, than the total net returns under national forest management; in the other 5 the net returns under this method would exceed, generally in small degree, the total net assistance under national-forest administration; but in 4 of these States the national-forest lands largely or entirely have been acquired by purchase or exchange with the complete concurrence and cooperation of the State agencies and the superior merit and desirability of national-forest aid is generally recognized and supported. Furthermore, such theoretical net balances of returns over cost as are developed by this method have now become extremely questionable because of the downward trends of wild-land values and the growing tendency for such types of lands to revert to public ownership through tax delinquency.

#### IF THE NATIONAL FORESTS HAD INSTEAD BEEN ADMINISTERED AS STATE FORESTS

As another contrast to the known measures of aid afforded by the national forests there remains for consideration the subject of the probable consequences to the several States if the national-forest areas, during the fiscal years 1923-27, had instead been administered wholly as State forests, with no contributions from the Federal Government other than the free cession of the public lands involved.

The first question is whether the States would have been willing to administer adequately all of the national-forest area. In numerous cases a national forest is most important to the protection of interests situated in other States, frequently remote from the area under management. Where the immediate and tangible benefits were of small extent and the major benefits accrued to other States, there would be a natural reluctance on the part of the State containing the forest area to tax its own citizens beyond the point of local and definite benefits, so that unless the beneficiary States made up the additional costs under some form of interstate compact or agreement there would be inadequate or no management of the particular forest area. The difficulties of measuring and evaluating the benefits from a specific area derived, respectively, by possibly several States, and of providing by compact or agreement for the sharing of costs in proportion to benefits, seem obvious.

Another question is that of the degree to which any given State would permanently continue to carry the full obligation of forest protection, development, and management of national-forest areas if the greater part of the cost thereof fell upon the taxpayers of the parts of the State most remote from such areas and apparently deriving the least benefit therefrom. In such circumstances it is not wholly improbable that tax-paying majorities might urge sharp limitations of State action.

Still another question is that presented by the large areas of timber-productive lands actually owned by a number of the States or counties and the annually increasing areas reverting to State or county ownership through tax delinquency. States unprepared to assume the entire obligation of forest conservation logically would incline first to take over the areas within which State or county responsibility was most definite and immediate, a course conceivably militating against effective management of what are now national forests.

These circumstances suggest the improbability that complete and fully effective protection, development, and management of what are now national-forest lands could be anticipated or accomplished through the media of State forests unless the net financial results to the several States under that method were more favorable than those obtainable by any other practicable method. The facts available do not indicate that such would be the case. On the contrary, administration of the national-forest areas as State forests, considering each State as an entity, would result in heavier net expenditures of State funds than would be necessitated by either of the other two courses of action discussed herein.

Making allowances for differences in standards of administration and management, past State expenditures for forest and watershed protection on State lands, as known to or understood by the Forest Service, do not appear to demonstrate any inherent capacity on the parts of the States or lesser political divisions thereof to perform such functions at unit costs substantially lower than those incurred by the Federal Government. In few if any instances could adequate protection and management be gained with smaller organizations or fewer field men or men willing to work for appreciably lower rates of pay. Performance by other State agencies of functions relating to forest management or development would no more than offset the extent to which such functions are now performed by other Federal agencies. The conduct by 28 separate States of the forest-research work now in progress on the national forests, collectively would require a greater number of research workers than is necessary to carry out the Federal program of research. Abundant factual data relating to the comparative costs of constructing and maintaining highways, roads, trails, lookouts, telephone lines, administrative structures, and other physical improvements show no basic factors consistently illustrative of the greater economy of State expenditures. On the contrary, it is not wholly improbable that the unit costs of administration would be higher under State management than they were under Federal management.

Nor is there any ground for belief that the revenues which would be derived from what are now national forests would be substantially greater under State or county administration than under Federal

administration. Higher returns would be obtainable only by higher charges for resources or privileges, and since such higher charges largely would be borne by local industries and interests, they conceivably might diminish the tax-paying power of the local community. At the present time, no national-forest stumpage is sold in large quantities except at competitive bid and to the highest bidder after full publicity has been given by appropriate advertisement. Livestock growers in the western States frequently allege that increased grazing fees would be a burden on the industry. The occupancy of national-forest lands for commercial, industrial, and recreational purposes is now allowed to the full extent of the public demand, at prices representing fair returns for the privileges enjoyed. No form of State or county administration can be foreseen which would greatly stimulate these revenue-producing activities over and above what they normally will be under national-forest administration, or derive therefrom an annual revenue appreciably in excess of the revenue which will be received under prevailing principles.

In the absence of tenable grounds to the contrary it logically might be contended that if the national forests covered by the 1927 study had been administered as State forests during the fiscal years 1923-27 the net financial costs to the several States would have differed but little from the actual net costs to the Federal Government as shown in the next to the last column of table 1.

However, in recognition of a widely prevalent belief to the contrary and as a means of meeting any existing valid doubts, an analysis has been made on the premise that during the fiscal years 1923-27 the States could have derived revenues 10 percent greater than those received under national-forest auspices, and could have held costs of adequate protection, development, and management to 80 percent of the expenditures actually made. In the States in which the national-forest lands were largely or wholly acquired by cash payment, the States, of course, would have had to pay interest upon such capital investments or would have lost the interest otherwise obtainable by the use of the invested funds. An interest charge of 4.5 percent on the average annual investment during the 5-year period therefore was included in States containing lands acquired by cash purchase.

Table 6 summarizes the average extent to which each of the several States would have derived revenues or incurred deficits if during the fiscal years 1923-27 they had administered as State forests the lands which in that period actually were administered by the Federal Government as national forests but on the premise that revenues would have been 10 percent greater and administrative costs 20 percent lower than they actually were.

TABLE 6.—Assumption II.—National-forest areas created and administered as State forests during period covered by study, without Federal aid other than free cession of public lands

State	Annual revenues <sup>1</sup>	Annual costs <sup>2</sup>	Interest charge <sup>3</sup>	Net loss(−) or gain (+)
California.....	\$1, 309, 256	\$1, 530, 706		−\$221, 450
Oregon.....	789, 749	1, 020, 585		−230, 836
Washington.....	464, 197	886, 256		−422, 059
Arizona.....	339, 310	837, 866		−498, 556
Colorado.....	455, 065	582, 220		−127, 155
Nevada.....	110, 534	75, 821		+34, 713
New Mexico.....	168, 723	627, 684		−458, 961
Utah.....	230, 450	279, 385		−48, 935
Idaho.....	675, 720	1, 744, 756		−1, 069, 036
Montana.....	296, 789	1, 527, 363		−1, 230, 574
Wyoming.....	301, 163	373, 262		−72, 099
South Dakota.....	123, 310	99, 801		+23, 509
Nebraska.....	12, 177	22, 945		−10, 768
Michigan.....	851	16, 095	\$699	−15, 943
Minnesota.....	34, 069	104, 154	65, 343	−135, 428
Arkansas.....	85, 194	123, 758	32, 183	−70, 747
Oklahoma.....	6, 988	14, 356		−7, 368
Alabama.....	745	17, 753	56, 136	−73, 144
Florida.....	27, 028	33, 917		−6, 889
Georgia.....	10, 288	35, 420	153, 745	−178, 877
South Carolina.....	2, 120	5, 956	22, 648	−26, 484
North Carolina.....	29, 403	97, 034	303, 935	−371, 566
Tennessee.....	15, 796	61, 840	203, 214	−249, 258
Virginia.....	37, 477	71, 924	273, 276	−307, 723
West Virginia.....	4, 067	37, 232	93, 496	−126, 661
Maine.....	2, 745	4, 400	24, 336	−25, 991
New Hampshire.....	34, 940	35, 924	397, 747	−398, 731
Pennsylvania.....	544	42, 548	72, 304	−114, 308
Total.....	5, 568, 698	10, 310, 961	1, 699, 062	−6, 441, 325

<sup>1</sup> 110 percent of national-forest receipts.  
<sup>2</sup> 80 percent of national-forest costs.  
<sup>3</sup> Interest at 4½ percent on actual cash payments for national-forest lands.

This process of analysis demonstrates that of all the 28 States involved only 2 would have derived a net profit through State-forest management of national-forest lands. One of these would have been Nevada where costs of forest protection are low and revenues from grazing use general and relatively high. The other would have been the State of South Dakota where the Black Hills and Harney National Forests afford probably the best current combination of intensive forest management, high productivity, large stumpage values, and active local demand to be found on any national forest. Even in these two States the theoretical net returns derivable through management as State forests would fall far short of the total benefits actually enjoyed during the period through the agency of the national forests. The other 26 States would all have shown annual deficits, some of very large proportions.

GENERAL SUMMATION OF RESULTS OF STUDY

To facilitate comparisons, the net results as shown in tables 2, 5, and 6 are summarized in table 7 and figure 2, in which there also is presented an interpretation of the net financial consequences to the States had the areas under consideration been administered as State forests with approximately the same revenues as those actually derived and the same administrative costs as those actually incurred during the fiscal years 1923–27. The figures submitted are actual or theoretical receipts and expenditures. No attempt is made to evaluate

the numerous abstract or intangible benefits which by common consent are recognized as the consequences of sound forest management but are difficult of quantitative expression; nor does table 7

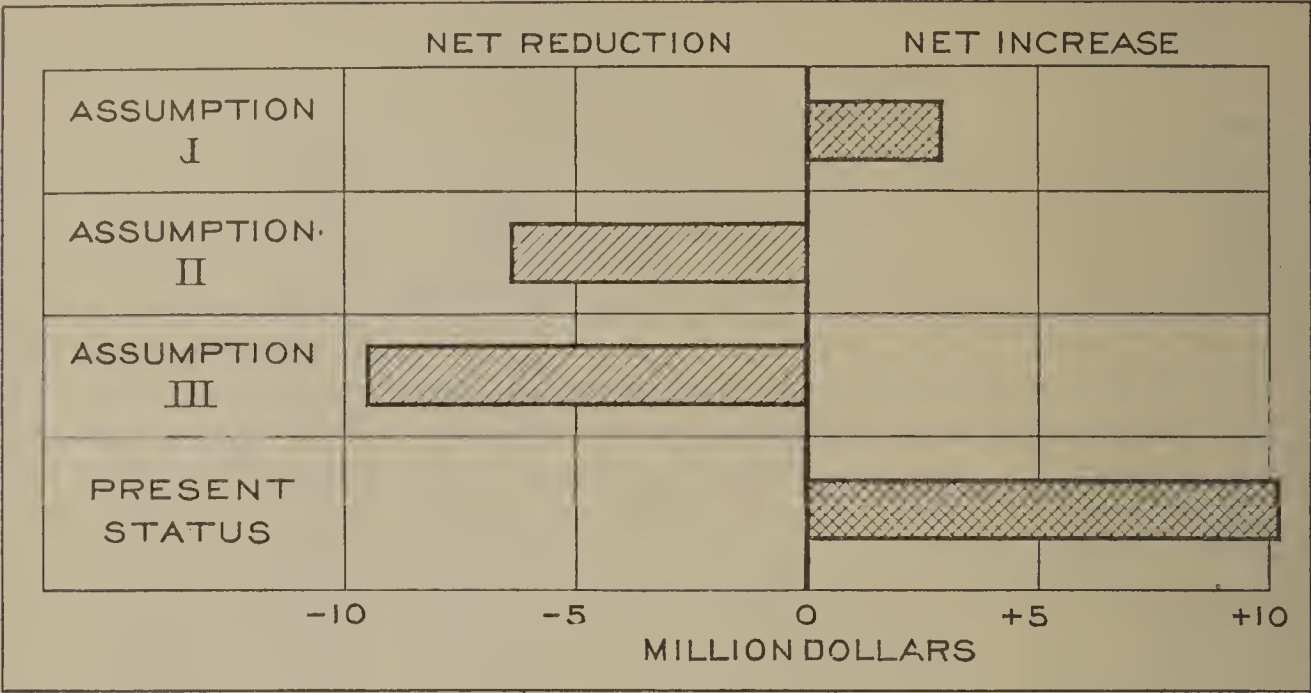


FIGURE 2.—Graphical representation of extent to which State or county resources available for forest conservation would be reduced or increased under different assumptions as to ownership, as shown in table 7.

express the values of the actual benefits enjoyed by local land-owners or residents because of national-forest management, as shown in the last column of table 2.

TABLE 7.—Estimated net loss or gain under different assumed forms of private and State ownership of national-forest lands compared with actual total net gain to State and counties for period 1923–27

State	Net loss (–) or gain (+) under as- sumption <sup>1</sup>	Net loss (–) or gain (+) under as- sumption <sup>2</sup>	Net loss (–) or gain (+) under as- sumption <sup>3</sup>	Net gain (+) to States and counties from present Federal ownership <sup>4</sup>
	Dollars	Dollars	Dollars	Dollars
California.....	+488, 326	–221, 450	–723, 149	+1, 503, 122
Oregon.....	+1, 231, 790	–230, 836	–557, 778	1, 528, 260
Washington.....	+910, 945	–422, 059	–685, 823	907, 109
Arizona.....	+453, 258	–498, 556	–738, 869	701, 207
Colorado.....	+161, 911	–127, 155	–314, 080	641, 175
Nevada.....	+30, 449	+34, 713	+5, 709	191, 306
New Mexico.....	+232, 067	–458, 961	–631, 220	454, 900
Utah.....	+178, 099	–48, 935	–139, 732	384, 720
Idaho.....	–297, 472	–1, 069, 036	–1, 566, 654	1, 673, 921
Montana.....	–584, 755	–1, 230, 574	–1, 639, 396	1, 122, 243
Wyoming.....	–51, 585	–72, 099	–192, 793	511, 857
South Dakota.....	+39, 301	+23, 509	–12, 651	108, 010

<sup>1</sup> Assumed private appropriation and ensuing taxation of all present national-forest lands suitable for permanent private management, plus adequate protection and management by States of all national-forest lands remaining or revested in public ownership; returns to States to comprise (a) taxes on privately owned lands and (b) revenues from residual publicly owned lands.

<sup>2</sup> Assumed that without aid from Federal Government, other than free cession of public lands involved, it had been necessary for States to create and administer as State forests what actually were national forests during the period 1923 to 1927, but conceding that the States could have derived 10 percent more revenue and administered the lands at 20 per cent less cost than the Federal Government.

<sup>3</sup> Assumed that without aid from the Federal Government, other than free cession of public lands involved, it had been necessary for States to create and administer as State forests what actually were national forests during the period 1923 to 1927; the revenues derived and the costs of administration being identical with the receipts and expenditures under Federal management.

<sup>4</sup> Actual total direct contributions to State or county revenues or development programs derived from or by reason of the national forests during the fiscal years 1923 to 1927.

TABLE 7.—*Estimated net loss or gain under different assumed forms of private and State ownership of national-forest lands compared with actual total net gain to State and counties for period 1923-27—Continued*

State	Net loss (—) or gain (+) under as- sumption	Net loss (—) or gain (+) under as- sumption	Net loss (—) or gain (+) under as- sumption	Net gain (+) to States and counties from present Federal ownership
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
Nebraska.....	—7, 038	—10, 768	—17, 611	14, 511
Michigan.....	—16, 172	—15, 943	—20, 045	2, 056
Minnesota.....	—49, 866	—135, 428	—164, 563	80, 493
Arkansas.....	+68, 194	—70, 747	—109, 431	87, 922
Oklahoma.....	+2, 727	—7, 368	—11, 593	10, 405
Alabama.....	+5, 722	—73, 144	—77, 650	8, 207
Florida.....	+35, 595	—6, 889	—17, 825	30, 642
Georgia.....	+12, 506	—178, 877	—188, 667	16, 292
South Carolina.....	+2, 575	—26, 484	—28, 165	3, 987
North Carolina.....	+27, 403	—371, 566	—393, 498	87, 923
Tennessee.....	+19, 978	—249, 258	—266, 154	34, 638
Virginia.....	+16, 039	—307, 723	—329, 111	64, 044
West Virginia.....	+9, 258	—126, 661	—136, 339	20, 293
Maine.....	+7, 092	—25, 991	—27, 341	4, 056
New Hampshire.....	+65, 078	—398, 731	—410, 888	42, 410
Pennsylvania.....	+46, 011	—114, 308	—124, 994	9, 685
Net gain or loss.....	+3, 037, 436	—6, 441, 325	—9, 525, 311	+10, 245, 394

Table 7 leads inevitably to the conclusion that acting through the central agency of the Federal Government the people of the United States have very definitely and largely assisted each of the States containing national forests to work toward an adequate program of forest conservation within its borders more effectively than would have been possible if the entire burden of forest protection had rested upon the State and its component units of government. It is true that the national-forest system was established in recognition of a national need, as a measure of national security and welfare, rather than with the studied purpose of assuming part of the State's function or obligation in the field of forest conservation; nevertheless, the national policy markedly has aided the States to meet the inescapable requirements of economic and social necessity created by dangerous trends in forest-land utilization. No other use to which the national-forest lands might have been devoted, no other principle or method under which they might have been administered, would as fully or effectively have enabled the States to meet the tremendous problem which confronted them. There would have been no greater economic and social use and enjoyment of the lands and natural resources comprising the national forests than that which has been allowed under Federal management. There could have been no other way by which greater financial resources could have been made available for purposes of forest protection, regeneration, and management with less tax burden on the properties and citizens of the States and counties in which the national forests are situated. Neither could there have been any fairer or more equitable way by which both the common and collective interests of all the people of the United States, as represented in assured future supplies of timber and adequately protected watersheds, and the more localized interests of the States and their citizens, could be harmoniously correlated and coordinated. The record shows no in-

justice or inequity to either party to the compact; on the contrary it seems conclusively to demonstrate that, while the States through their concurrence and cooperation in the development of the national-forest system have made it possible for the Nation as an entity to safeguard the future interests and welfare of all its citizens, the Nation in its turn has made it possible for the States containing national forests to accomplish more within their own fields of forest conservation and management than otherwise would have been possible.